



January 14, 2009

SENATE BILL No. 145

DIGEST OF SB145 (Updated January 8, 2009 4:04 pm - DI yl)

Citations Affected: IC 6-3.

Synopsis: Taxation of civil service annuities. Increases the civil service annuity income tax deduction from \$2,000 to \$10,000 over a seven year phase-in period. Provides that the deduction is available to a surviving spouse.

Effective: January 1, 2010.

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January 7, 2009, read first time and referred to Committee on Rules and Legislative Procedure.
January 13, 2009, amended; reassigned to Committee on Pensions and Labor.

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SB 145—LS 6406/DI 13+



January 14, 2009

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

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SENATE BILL No. 145

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3-2-3.7 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 3.7. ~~Each taxable~~
3 ~~year, (a) Except as provided by subsection (b), an individual or the~~
4 **individual's surviving spouse** is entitled to an adjusted gross income
5 tax deduction **each taxable year** equal to the remainder of:
6 (1) ~~the first two thousand dollars (\$2,000) for taxable years~~
7 **beginning in:**
8 (A) **2010 and 2011, the first four thousand dollars (\$4,000);**
9 (B) **2012 and 2013, the first six thousand dollars (\$6,000);**
10 (C) **2014 and 2015, the first eight thousand dollars**
11 **(\$8,000); and**
12 (D) **2016 and thereafter, the first ten thousand dollars**
13 **(\$10,000);**
14 which is received by the individual **or the individual's surviving**
15 **spouse** during the taxable year from a federal civil service annuity
16 and which is included in adjusted gross income under Section 62
17 of the Internal Revenue Code; minus

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1 (2) the total amount of Social Security benefits and railroad
2 retirement benefits received by the individual **or the individual's**
3 **surviving spouse** during the taxable year. ~~However,~~

4 **(b)** The individual is only entitled to the deduction provided by this
5 section if the individual is at least sixty-two (62) years of age before the
6 end of the taxable year. **This subsection does not apply to an**
7 **individual's surviving spouse.**

8 SECTION 2. **An emergency is declared for this act.**

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COMMITTEE REPORT

Madam President: The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill No. 145, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill be reassigned to the Senate Committee on Pensions and Labor.

(Reference is to SB 145 as introduced.)

LONG, Chairperson

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